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FANTASIA

Fantasia Holdings Group Co., Limited

花樣年控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1777)

**INSIDE INFORMATION
PROPOSED RESTRUCTURING OF OFFSHORE DEBTS
BUSINESS UPDATE**

This announcement is made by Fantasia Holdings Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

1. THE PROPOSED RESTRUCTURING

The Company and its advisors have in the past few months engaged in constructive dialogues with various stakeholders of the Company on the proposed restructuring of the offshore debts of the Company.

Progress has been made with a number of major holders of the US\$ denominated senior notes in the aggregate principal amount of US\$4,018 million issued by the Company (the “**Existing Notes**”). These discussions have culminated with an agreement (in principle and subject to contract) (the “**Term Sheet**”) on the terms of the restructuring of the Existing Notes and certain other offshore indebtedness of the Group (the “**Additional Debt Instruments**”, and together with the Existing Notes, the “**Existing Debt Instruments**”) in a manner designed to allow the Company to comprehensively enhance its capital structure, enable the Group to better manage its operations and deliver long-term value for all its stakeholders (the “**Proposed Restructuring**”).

Principal terms

The principal terms of the Proposed Restructuring are set out in the Term Sheet (with sensitive information redacted) in the Appendix to this announcement.

The Proposed Restructuring is expected to be implemented by way of parallel schemes of arrangement in Hong Kong and the Cayman Islands, and/or other applicable jurisdictions (the “**Schemes**”).

Transaction highlights

The Proposed Restructuring is expected to equitise US\$1.3 billion of the Company’s total interest-bearing and debt-like liabilities (the “**Offshore Debt Equitisation**”), which represents a material de-leveraging of the Company’s offshore indebtedness. The Offshore Debt Equitisation (where creditors will receive ordinary shares of the Company) will increase the Company’s book value significantly and reduce the net-gearing ratio of the Company. The Offshore Debt Equitisation will be subject to, among others, the applicable requirements of the Listing Rules and the Stock Exchange’s approvals for the listing of, and permission to deal in, any newly issued shares. Ms. Zeng Jie, Baby will remain as the largest controlling shareholder of the Company upon completion of the Proposed Restructuring.

As part of the Proposed Restructuring, creditors will also receive eight series of new US\$ denominated notes that mature from December 2024 to June 2029 (the “**New Notes**”). The New Notes will have cash interest rate ranging from 5.0% to 8.0%, following initial pay-in-kind periods.

The New Notes will have a cash sweep mechanism from net onshore project disposal proceeds (the “**Net Disposal Proceeds**”, further details of which are described in “Business Update” below). The Company has identified certain projects which it is looking to dispose of in the future. The Proposed Restructuring envisages that 40% of the net proceeds from those disposals will be applied for the cash sweep of the New Notes.

Following the Proposed Restructuring, the offshore debt maturity profile of the Company will be extended by 2 to 6.5 years from December 2022, with no offshore debt maturity earlier than December 2024. This will provide a two-year period for the Company to stabilise and improve its operations. The Company believes that this two-year period is essential in ensuring the successful delivery of the various construction projects of the Group. The cash interest expenses of the offshore indebtedness will also be significantly reduced during this two-year period. This will improve the cash to short-term debt ratio of the Company.

In addition, the Proposed Restructuring also envisages the raising of new funds by the Company to fund a debt buyback by way of open offer. The terms of the proposed fund-raising exercise have not been finalised. The raising of new funds will be a condition precedent to the completion of the Proposed Restructuring.

The RSA

On 13 January, 2023 (the “**Signing Date**”), a restructuring support agreement (the “**RSA**”), to which the Term Sheet is appended, was signed by, among others, the Company and an ad-hoc group of holders of approximately 24.5% of the aggregate outstanding principal amount of the Existing Notes (the “**AHG**”).

Certain provisions under the RSA will only become effective on the Effective Date (as defined in the RSA) (that is, the earlier of: (i) the date on which the Company and the AHG reach a revised agreement on the terms of the Offshore Debt Equitisation as set forth under the caption “Debt to Equity Swap” in the Term Sheet; and (ii) 9 March 2023).

The provisions which become immediately effective on the Signing Date include that each participating creditor undertakes not to sell, transfer or otherwise dispose of an interest in participating debt unless the transfer has been made in accordance with the transfer provisions of the RSA.

On and from the Effective Date, among other things:

(a) the Company undertakes to:

- (i) perform all actions as are reasonably necessary in order to support, facilitate, implement or otherwise give effect to the Proposed Restructuring (provided that such action is consistent in all material respects with the Term Sheet and the Steps Plan (as defined in the RSA)) as soon as reasonably practicable;
- (ii) implement the Proposed Restructuring and the Schemes in the manner envisaged by, and materially on the terms and conditions set out in, the RSA, the Term Sheet and the Steps Plan; and
- (iii) perform all actions as are reasonably necessary to procure that the effective dates of the Schemes occur and that the Proposed Restructuring is fully implemented on or before the Longstop Date (as defined in the RSA); and

(b) each Participating Creditor undertakes to:

- (i) use all commercially reasonable endeavours in order to support, facilitate, implement or otherwise give effect to the Proposed Restructuring (provided that such action is consistent in with the terms as set out in the Term Sheet and the Steps Plan);
- (ii) vote in favour of the Schemes in respect of the aggregate outstanding principal amount of all Participating Debt (as defined in the RSA) in which it holds a beneficial interest as principal at the record time by delivering, within any applicable time periods, any proxies, instructions, directions or consents in respect of all Participating Debt in which it holds a beneficial interest as principal; and
- (iii) not to object to the Schemes or any application to the relevant court in respect thereof or otherwise commence any proceedings to oppose or alter any restructuring document filed by the Company in connection with the confirmation of the Proposed Restructuring, except to the extent that such restructuring document is materially inconsistent with the terms as set out in the Term Sheet and the Steps Plan.

The Company and the AHG intend to enter into further negotiations, including with other interested parties, on the terms of the Offshore Debt Equitisation and the procedures to effectuate the same. The Company and the AHG may amend the RSA prior to the Effective Date to reflect any agreement regarding the same.

The consent fee

The Company will make a further announcement following the Effective Date in order for the Participating Creditors who validly hold Eligible Participating Debt (as defined in the RSA) to accede to the RSA and receive, subject to the terms of the RSA, a cash consent fee.

The information agent

Morrow Sodali Limited (“**Morrow Sodali**”) as the information agent will be responsible for receipt and processing of accession letters, participating debt notices and transfer notices, distribution of Accession Codes and overseeing evidence of holdings of the Participating Creditors in respect of the Existing Debt Instruments. The RSA (including the Term Sheet) will be available for access on the transaction website of Morrow Sodali from 16 January 2023 (Monday). Morrow Sodali can be contacted using the below details:

Transaction Website: <https://projects.morrowsodali.com/fantasia>

Email: fantasia@investor.morrowsodali.com

Attention: Debt Services Team

Request for information

Any requests for information on the Proposed Restructuring can be directed to the Company’s financial advisor or the AHG’s financial advisor:

Houlihan Lokey (China) Limited, *as Restructuring Financial Advisor to the Company*

Suites 506-508, One International Finance Centre

1 Harbour View Street Central, Hong Kong

Email: fantasia@hl.com

PJT Partners (HK) Limited, *as Restructuring Financial Advisor to the AHG*

Suite 3609-11, Two International Finance Centre

No. 8 Finance Street, Central, Hong Kong

Email: projectslings@pjtpartners.com

2. BUSINESS UPDATE

(a) Overview of the Company

The Company is an exempted company with limited liability incorporated in the Cayman Islands. The subsidiaries of the Company are principally engaged in (i) property development, (ii) lease of investment properties, (iii) property operation services, (iv) hotel accommodation services, and (v) property management and other related services.

The Company has focused, and will continue to focus, on completion and delivery of its property projects, implementing measures to accelerate the sale of properties under development and completed properties, and controlling administrative costs and capital expenditure.

(b) Debt Overview

As at 30 November 2022, the Group had (i) offshore total interest-bearing and debt-like liabilities of approximately US\$4.2 billion, and (ii) onshore interest-bearing and debt-like liabilities of not more than RMB40 billion.

(c) Projected Cash Flow

- (i) On the assumption that the market environment of the Chinese real estate sector returns to normal, the Company is able to maintain normal business operations and access new financing at the project level, the unlevered free cashflow from existing projects (being cash collection, less construction cost, tax, land payment, selling, general and administrative expenses and other expenses) from 2023 to 2030 is estimated to be between negative RMB0.9 billion and positive RMB16 billion per year. The total cumulative unlevered free cashflow from existing projects during the period from 2023 to 2030 is estimated to be between approximately RMB40 billion and RMB70 billion.
- (ii) The Net Disposal Proceeds from the disposal of projects of the Group (after encumbered debt repayment) is expected to be between RMB5 billion and RMB7 billion from 2023 to 2025 in aggregate, which is based on reasonable commercial assumptions but may vary depending on market conditions.

3. CONTINUED SUSPENSION OF TRADING

At the request of the Company, the trading in the shares of the Company on the Stock Exchange was suspended with effect from 9:00 a.m. on 1 April 2022. Trading in the shares of the Company will remain suspended until further notice.

Further announcement(s) will be made by the Company to inform shareholders and other investors of the Company of any material development as and when appropriate.

Shareholders of the Company and other investors are reminded to exercise caution when dealing in the securities of the Company.

By order of the Board
Fantasia Holdings Group Co., Limited
Pan Jun
Chairman

Hong Kong, 13 January 2023

As at the date of this announcement, the executive directors of the Company are Mr. Pan Jun, Ms. Zeng Jie, Baby, Mr. Ke Kasheng, Mr. Zhu Guogang and Mr. Chen Xinyu, the non-executive director of the Company is Mr. Su Boyu, and the independent non-executive directors of the Company are Mr. Guo Shaomu and Mr. Kwok Chi Shing.

Fantasia Holdings Group Co., Limited

Restructuring Term Sheet

Subject to Contract

September ____, 2022

This term sheet (the “**Term Sheet**”) sets forth certain material terms and conditions in connection with the Proposed Restructuring of the Existing Notes (each as defined below) and Additional Existing Indebtedness (as defined below). This Term Sheet is a summary only and does not purport to be a comprehensive or exhaustive statement of the requirements of the parties or information relating to the Proposed Restructuring. For the avoidance of doubt, this Term Sheet is indicative only, does not constitute an offer or agreement to complete the Proposed Restructuring and, except for the sections entitled “Term Sheet Governing Law” and “Confidentiality” which are intended to, and shall, be binding on the parties hereto, this Term Sheet is not legally binding. It remains subject to (among other things) contract and nothing in this Term Sheet shall amend any term of the Existing Debt Instruments (as defined below) or constitute a waiver of any right of any party thereunder. Should the discussions between the parties result in a decision to proceed with the Proposed Restructuring, the parties shall do so only pursuant to the terms of definitive agreements to be negotiated, executed and delivered in form and substance satisfactory to each party.

It is intended that the Proposed Restructuring, which shall be in all material respects consistent with this Term Sheet, shall be facilitated by way of a restructuring support agreement (the “**RSA**”) to be executed and delivered by, among others, the Company (as defined below), the Original Participating Noteholders (as defined below) and any other holder of the Existing Notes who becomes party to the RSA (the “**Additional Participating Noteholders**”, and together with the Original Participating Noteholders, the “**Participating Noteholders**”).

This Term Sheet does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States or any other jurisdiction. No securities may be offered or sold in the United States absent registration or an applicable exemption from registration requirements. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the Company and its management, as well as financial statements. No public offer of securities is to be made by the Company or any of the Subsidiary Guarantors (as defined below) in the United States.

This Term Sheet is not a prospectus for the purposes of Regulation (EU) 2017/1129, including as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.

General Information	
Company	Fantasia Holdings Group Co., Limited, an exempted company incorporated in the Cayman Islands with limited liability
Group	The Company and its subsidiaries
Existing Notes	All of the following notes are governed by New York law, issued by the Company and unconditionally and irrevocably guaranteed (the

	“Existing Guarantees”) by the Subsidiary Guarantors (collectively, the “Existing Notes”): • The 7.375% senior notes due October 4, 2021 (the “Existing October 2021 Notes”) (ISIN: XS1498418224, common code: 149841822). As of the date of this Term Sheet, the aggregate principal amount of the Existing October 2021 Notes outstanding is US\$205,656,000; • The 6.95% senior notes due December 17, 2021 (the “Existing First December 2021 Notes”) (ISIN: XS2275739378, Common Code: 227573937). As of the date of this Term Sheet, the aggregate principal amount of the Existing First December 2021 Notes outstanding is US\$249,500,000; • The 15.0% senior notes due December 18, 2021 (the “Existing Second December 2021 Notes”) (ISIN: XS1924249680, Common Code: 192424968). As of the date of this Term Sheet, the aggregate principal amount of the Existing Second December 2021 Notes outstanding is US\$299,000,000; • The 14.5% senior notes due March 17, 2022 (the “Existing March 2022 Notes”) (ISIN: XS2321397734, common code: 232139773). As of the date of this Term Sheet, the aggregate principal amount of the Existing March 2022 Notes outstanding is US\$50,000,000; • The 11.75% senior notes due April 17, 2022 (the “Existing April 2022 Notes”) (ISIN: XS1982124239, Common Code: 198212423). As of the date of this Term Sheet, the aggregate principal amount of the Existing April 2022 Notes outstanding is US\$297,500,000; • The 7.95% senior notes due July 5, 2022 (the “Existing July 2022 Notes”) (ISIN: XS1640676885, common code: 164067688). As of the date of this Term Sheet, the aggregate principal amount of the Existing July 2022 Notes outstanding is US\$498,750,000; • The 12.25% senior notes due October 18, 2022 (the “Existing October 2022 Notes”) (ISIN: XS2030329358, Common Code: 203032935). As of the date of this Term Sheet, the aggregate principal amount of the Existing October 2022 Notes outstanding is US\$350,000,000; • The 10.875% senior notes due January 9, 2023 (the “Existing January 2023 Notes”) (ISIN: XS2100005771, Common Code: 210000577). As of the date of this Term Sheet, the aggregate principal amount of the Existing January 2023 Notes outstanding is US\$446,350,000;
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	• The 11.875% senior notes due June 1, 2023 (the “Existing June 2023 Notes”) (ISIN: XS2181037230, Common Code: 218103723). As of the date of this Term Sheet, the aggregate principal amount of the Existing June 2023 Notes outstanding is US\$542,000,000; • The 9.25% senior notes due July 28, 2023 (the “Existing July 2023 Notes”) (ISIN: XS2210790783, Common Code: 221079078). As of the date of this Term Sheet, the aggregate principal amount of the Existing July 2023 Notes outstanding is US\$343,500,000; • The 9.875% senior notes due October 19, 2023 (the “Existing October 2023 Notes”) (ISIN: XS2245488262, Common Code: 224548826). As of the date of this Term Sheet, the aggregate principal amount of the Existing October 2023 Notes outstanding is US\$304,500,000; • The 10.875% senior notes due March 2, 2024 (the “Existing March 2024 Notes”) (ISIN: XS2306557401, Common Code: 230655740). As of the date of this Term Sheet, the aggregate principal amount of the Existing March 2024 Notes outstanding is US\$231,600,000; and • The 14.5% senior notes due June 25, 2024 (the “Existing June 2024 Notes”) (ISIN: XS2355049797, common code: 235504979). As of the date of this Term Sheet, the aggregate principal amount of the Existing June 2024 Notes outstanding is US\$200,000,000.
Additional Existing Indebtedness	The Company may elect in its sole discretion that certain other offshore financial indebtedness of the Company or any subsidiary of the Company (“ Additional Existing Debt Instruments ”, and together with the Existing Notes, the “ Existing Debt Instruments ”) is also subject to the Proposed Restructuring.
Scheme Creditors (and each, a Scheme Creditor)	The persons holding beneficial interests as principal in any of the Existing Debt Instruments as at the Record Time. “Record Time” means the time designated by the Company for the determination of the claims of the Scheme Creditors for the purposes of voting at the meetings of the creditors of the Company whose claims against the Company are (or will be) the subject of the Schemes to vote on the Schemes convened pursuant to orders of the court(s) (and any adjournment of such meetings).

Ad Hoc Group	The ad hoc group of holders of the Existing Notes or investment managers or investment advisors to certain holders of the Existing Notes as constituted from time to time who are advised by the Ad Hoc Group's advisors and which members, as of the date of this Term Sheet, are listed in Schedule 1.
Confidentiality	This Term Sheet and its content are for the exclusive use of the Company, the Ad Hoc Group (and the Ad Hoc Group members' respective investment managers and/or investments advisors) and their respective subsidiaries, representatives, affiliates and advisors and, as applicable, any information or other agent (provided that such agents are under professional code of conduct, ethics rules or other applicable confidentiality provisions and are selected from a whitelist agreed between the respective legal advisors of the Ad Hoc Group and of the Company) engaged in connection with the Proposed Restructuring (collectively, "Representatives"), and by accepting this Term Sheet, the Company agrees that: (a) it shall not, and it shall cause the Group and their respective Representatives not to, in any event disclose Schedule 1 to this Term Sheet or any of its content to any person (other than the Group's legal and financial advisors or such information or other agent for the purposes of the Proposed Restructuring) without the prior written consent of the Ad Hoc Group; and (b) prior to it or any of its Representatives publishing or making publicly available this Term Sheet or any of its content ("Announcement"), the Company shall (i) share and consult with the Ad Hoc Group a draft of such Announcement, and (ii) obtain written consent from the Ad Hoc Group, <i>provided</i> that the Company may disclose this Term Sheet and its content to the extent requested or required by any court or regulatory body or where required by any applicable rule or law, including, for the avoidance of doubt, any requirement to make full and frank disclosure as part of any court application made by, or on behalf of, the Company, as well as to Gortune and [REDACTED].
Term Sheet Governing Law	This Term Sheet will be governed by and construed in accordance with Hong Kong law. The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with this Term Sheet.

Proposed New Money and Buyback	
Initial New Money	The Company shall procure Gortune Alternative Fund Management (Zhuhai Hengqin) Co., Ltd. (“Gortune”) and/or other parties (as the case may be) to inject US\$100,000,000 into the Company through a debt instrument to be ranked senior to the Existing Notes and the New Notes and secured by certain onshore assets other than the assets listed in Schedule 2 (the “Super Senior Debt”). The Company shall provide the Ad Hoc Group with the following documents: (i) the initial list of proposed security to be granted under the Super Senior Debt (including key information on the underlying assets of such proposed security) upon the execution of this Term Sheet; (ii) the first draft of the transaction documents relating to the Super Senior Debt (the “Gortune Documents”) concurrently with providing the same to Gortune (and/or such other parties); (iii) the first set of comments from Gortune (and/or such other parties), as well as any subsequent additional material comments from Gortune (and/or such other parties) on the Gortune Documents, in each case promptly following receipt of the same; and (iv) the final drafts of the Gortune Documents at least 72 hours prior to the proposed execution thereof, and the Ad Hoc Group (or any member thereof or any of their respective Affiliates (as defined under the Existing Notes Indentures)) shall have a right of first refusal to fund the Super Senior Debt on the same terms as (and in lieu of) Gortune (and/or such other parties). Ms. Zeng Jie Baby (“Controlling Shareholder”) and/or other parties (as the case may be) shall, directly or indirectly, inject or procure an injection of US\$15,000,000 into the Company through an unsecured debt instrument with no fixed maturity date and a reasonable interest rate (which shall be within the range of 5% to 8% per annum) to be subordinated to the Existing Notes and the New Notes (the “Subordinated Debt,” and together with the Super Senior Debt, the “Initial New Money”), <i>provided</i> that interest may be paid on the Subordinated Debt in cash only if the Company has paid in cash all cash interest due to the holders of the New Notes. The Company shall share with the Ad Hoc Group the execution version of the definitive agreements relating to the Subordinated Debt as soon as reasonably practicable prior to the execution thereof.
Additional New Money	The Company shall use best efforts to seek (but is not obliged to obtain) additional new money of US\$100,000,000 through financing or disposal of assets other than the assets listed in Schedule 2 (the “Additional New Money,” and together with the Initial New Money, the “New Money”). Any Additional New Money raised through debt financing provided by any Person (as defined under the Existing Notes Indentures) who is not an Affiliate of the Company shall rank senior to the Existing Notes and

	the New Notes and pari passu with the Super Senior Debt (the “Additional Super Senior Debt”). The terms of the Additional Super Senior Debt shall, whether incurred before, on or after the RED (as defined below), also satisfy the following conditions, among others to be agreed between the Company and the Ad Hoc Group: 1. <u>Interest rate</u>: no more than the cap on the private lending rate under PRC law (which, as of the date of this Term Sheet, is no more than 4 times the latest 5-year loan prime rate (贷款市场报价利率) published by the People’s Bank of China); 2. <u>Maturity</u>: no amortization or principal repayment within one year from the RED; 3. <u>Ranking</u>: not senior to the Super Senior Debt; and 4. <u>Source of repayment</u>: shall not be repaid using any proceeds from any Specified Asset Sale. If the Additional Super Senior Debt is not incurred before the RED, the New Notes Indentures will include covenants reflecting the conditions mentioned above, among others, as conditions precedent to incurring the Additional Super Senior Debt. For Additional New Money to be raised by financing before the RED, the Company shall provide the Ad Hoc Group with the following documents: (i) the first draft of the transaction documents relating to the Additional Super Senior Debt (the “ANM Documents”) concurrently with providing the same to the potential lender or financier of the Additional New Money (the “ANM Lender”); (ii) the first set of comments from the ANM Lender, as well as any subsequent additional material comments from the ANM Lender on the ANM Documents, in each case promptly following receipt of the same; and (iii) the final drafts of the ANM Documents at least 72 hours prior to the proposed execution thereof, and the Ad Hoc Group (or any member thereof or any of their respective Affiliates) shall have a right of first refusal to fund the Additional Super Senior Debt on the same terms as (and in lieu of) the ANM Lender. The Additional New Money shall also be obtained in compliance with the applicable requirements of the Listing Rules (as defined below). For Additional New Money to be raised by disposal of assets, the Company shall share with the Ad Hoc Group the execution version of the definitive agreements relating to the proposed disposal as soon as reasonably practicable prior to the execution thereof.
Application of New Money	The Company shall apply the Initial New Money in the following order: 1. firstly, US\$25,000,000 shall be reserved to fund the Fees and Expenses (as defined below); and

	2. the remaining Initial New Money shall be used to fund a reverse Dutch auction tender offer or otherwise to redeem or purchase in cash the Existing Debt Instruments (the “Buyback”) at a purchase price of no more than 15% of the principal amount of the Existing Debt Instruments so purchased (the “Price Cap”); the application of any Initial New Money remaining (despite the Company’s best efforts to conduct the Buyback) shall be separately agreed between the Company and the Ad Hoc Group. The Buyback shall be offered to all Scheme Creditors on equal terms. Upon consummation of the Buyback, 60% in aggregate principal amount of the Existing Debt Instruments redeemed or purchased through the Buyback shall be cancelled, and the remaining 40% in aggregate principal amount of such Existing Debt Instruments (or, as applicable, the New Notes issued in exchange therefor) shall be pledged as collateral to secure the Super Senior Debt, shall not be disposed of by the Company (other than pursuant to the terms of the Gortune Documents) and shall be cancelled upon discharge of the Super Senior Debt. The Company shall apply the Additional New Money in the following manner: 1. US\$15,000,000 to repay the Subordinated Debt, <i>provided that</i> US\$100,000,000 of Additional New Money is raised by the Company; and 2. US\$85,000,000 to redeem or purchase in cash, on a pro rata basis (unless such redemption or purchase is conducted through a tender offer or other method where the amount to be redeemed or purchased cannot be prorated), the Existing Debt Instruments or the New Notes (as the case may be), details of which shall be separately agreed between the Company and the Ad Hoc Group (the “Additional Buyback”); <i>provided that</i> (i) the Company shall use best efforts to use this portion of Additional New Money to fund the Additional Buyback prior to the RED if the Company obtains such Additional New Money prior to the RED; and (ii) the Additional Buyback shall be offered to all holders of the Existing Debt Instruments or the New Notes (as the case may be) on equal terms.
Proposed Restructuring of the Existing Debt Instruments	
Proposed Restructuring	The Proposed Restructuring is expected to involve a compromise of all claims against (among others) the Company, the Subsidiary Guarantors and their respective subsidiaries, shareholders, officers, directors, advisors, representatives and office-holders under or in connection with the Existing Debt Instruments, the Existing Guarantees, the indentures governing the Existing Notes (the “Existing Notes Indentures”) and the

	finance documents governing the Additional Existing Debt Instruments in exchange for the Restructuring Consideration (as defined below) in accordance with the terms of the composite documents to be circulated by the Company to the Scheme Creditors in relation to the Schemes (which will include (among other things) an explanatory statement and the terms of the Schemes (the “Scheme Documents”)). The Company plans to implement the Proposed Restructuring through parallel schemes of arrangement in Hong Kong, the Cayman Islands and/or other applicable jurisdictions (the “Schemes”). The Cayman Islands scheme of arrangement will be governed by the laws of the Cayman Islands and subject to the exclusive jurisdiction of the courts in the Cayman Islands. The Hong Kong scheme of arrangement will be governed by the laws of Hong Kong and subject to the exclusive jurisdiction of the courts of Hong Kong. A scheme of arrangement in any other jurisdiction will be governed by the laws of such jurisdiction and subject to the exclusive jurisdiction of the courts in that jurisdiction.
Support for Restructuring	Subject to the Limitations (as defined below) and the terms of the RSA, the Company and each Participating Noteholder intend to, with respect to the Existing Debt Instruments: (a) assist, cooperate and take all steps as may be necessary or desirable to implement or consummate the Proposed Restructuring in a timely manner (including entering into the RSA to be negotiated, agreed, executed and delivered by the Company and each Original Participating Noteholder as soon as reasonably practicable, which is to be circulated to all holders of the Existing Debt Instruments); (b) not take, encourage, assist or support (or procure that any other person takes, encourages, assists or supports) any action which would, or would reasonably be expected to, breach or be inconsistent with this Term Sheet taken as a whole, or delay, impede or prevent the implementation or consummation of the Proposed Restructuring; (c) in the case of: (i) the Company, procure that each member of the Group does the same in respect of (a) and (b) above; and (ii) each Participating Noteholder, use reasonable endeavours to procure that any of its affiliates and/or funds which holds any Existing Debt Instrument does the same in respect of (a) and (b) above; (d) not solicit, encourage, discuss, facilitate, consent to or enter into any proposal or transaction for the acquisition of or financial restructuring with respect to the Existing Debt Instruments other than the Proposed Restructuring;

	(e) in the case of each Participating Noteholder, provide reasonable assistance to the Company or any subsidiary of the Company (in each case, at the Company's cost) in defending against any adverse action taken by another creditor which may delay, impede or prevent the implementation or consummation of the Proposed Restructuring, including: (i) confirming that such Participating Noteholder supports the Proposed Restructuring; and (ii) preparing and filing any submission or appearing at any court proceeding which is reasonably requested by the Company and is necessary or desirable to support, facilitate, implement, consummate or otherwise give effect to the Proposed Restructuring; and (f) negotiate and enter into a customary "Mutual Release Deed", which will become binding and effective on the RED.
Limitations	Nothing in this Term Sheet shall: (a) require either the Company or any Participating Noteholder (or any of their, and/or their respective managers' or investment advisors', respective affiliates or funds) to take any action which would breach any legal or regulatory requirement beyond their control or any order or direction of any relevant court or governmental body and which impediment cannot be avoided or removed by taking reasonable steps; (b) restrict, or attempt to restrict, any officer of the Company or its subsidiaries from complying with any legal or fiduciary duty or obligation to commence insolvency proceedings in respect of that entity; (c) require the Company or any Participating Noteholder (or any of their, and/or their respective managers' or investment advisors', respective affiliates or funds) to make any payment or incur or take any action that would result in it incurring any out-of-pocket expense or other financial obligation (unless such payments, expenses and/or other obligations are prefunded by the Company in accordance with the RSA) or to incur any liability to any person other than as expressly set out in this Term Sheet; or (d) require the Company or any Participating Noteholder (or any of their, and/or their respective managers' or investment advisors', respective affiliates or funds) to make any additional equity or debt financing available to any member of the Group other than as expressly set out in this Term Sheet.
Scheme Creditors' Claims	The sum of: (a) the outstanding principal amount of the Existing Notes held by the Scheme Creditors at the Record Time;

	(b) the outstanding principal amount of the Additional Existing Debt Instruments held by the Scheme Creditors at the Record Time; and (c) all accrued and unpaid interest (except for any default interest or other special interests or fees) on such Existing Debt Instruments up to December 31, 2022 (together in aggregate, the “Scheme Creditors’ Claims”). On and from the RED, Scheme Creditors will release all claims against (among others) the Company, the Subsidiary Guarantors and their respective subsidiaries, shareholders, officers, directors, advisors, representatives and office-holders under or in connection with the Existing Debt Instruments, the Existing Guarantees, the Existing Notes Indentures and the finance documents governing the Additional Existing Debt Instruments in exchange for the Restructuring Consideration in accordance with the terms of the Scheme Documents.
Debt to Equity Swap	An aggregate amount of US\$1,300,000,000 of principal and interest (up to but excluding the date of the Debt to Equity Swap, and in no event shall the interest accrue after December 31, 2022) in respect of Existing Debt Instruments outstanding (including, among others, any Existing Debt Instruments that may be redeemed or purchased under the Buyback or the Additional Buyback) shall be converted, on a pro rata basis to all Scheme Creditors, into newly issued ordinary shares of the Company (the “Noteholder Shares”). The Company and the Ad Hoc Group shall agree an alternative structure (“Alternative Structure”) for holders of the Existing Debt Instruments to hold Noteholder Shares, which potentially involves the issuance of debt instruments that closely reflect the economics of the Noteholder Shares (the “Debt Instruments”). All outstanding shareholder loans and accrued interest (including default interest) up to December 31, 2022 owed to the Controlling Shareholder and its affiliates (the “Shareholder Loans”) shall be converted into newly issued ordinary shares of the Company (the “Controlling Shareholder Shares,” and together with the Noteholder Shares, the “New Shares”). The Shareholder Loans comprise:

	[REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] Notwithstanding the foregoing, the Controlling Shareholder shall legally and beneficially hold, directly or indirectly, at least a 45% equity interest in the Company immediately after the Proposed Restructuring; and the holders of the Existing Debt Instruments (for the avoidance of doubt, excluding the Company or Gortune or any of their respective Affiliates) shall hold, in aggregate, at least 52.6% of the total equity interest in the Company immediately after the Proposed Restructuring, <i>provided that</i> the holders of the Existing Debt Instruments shall not enter into any agreements or arrangement which will make such holders be regarded as “acting in concert” for the purposes of the Hong Kong Code on Takeovers and Mergers.
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	The consummation of the Debt to Equity Swap will be subject to, among others, the applicable requirements of the Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and the Stock Exchange’s approvals for the listing of and permission to deal in the New Shares.
Restructuring Consideration	The Restructuring Consideration for each Scheme Creditor will comprise: (a) The Noteholder Shares issued and allocated to such Scheme Creditor pursuant to the Debt to Equity Swap, <i>provided</i> that such Scheme Creditor shall have the option to waive the receipt of the Noteholder Shares to which it is entitled pursuant to the Debt to Equity Swap (the “Opt-out Option”), with such Noteholder Shares being allocated to the other Scheme Creditors on a <i>pro rata</i> basis. The Company shall include and give effect to the Opt-out Option in the applicable Scheme Documents; and (b) New Notes (pro-rated among the eight tranches of the New Notes) in an aggregate principal amount equal to the Scheme Creditors’ Claims of such Scheme Creditor, minus any amount converted into Noteholder Shares pursuant to the Debt to Equity Swap, to be issued on the RED.
Conditions Precedent	The following conditions must be satisfied or waived, prior to or on the RED: (a) the completion of the Buyback , to be evidenced by payment of cash consideration made to relevant holders of the Existing Debt Instruments through relevant accounts with clearing systems identified by the information agent in exchange for any validly tendered Existing Debt Instruments; (b) the execution by the parties thereto of (x) each Gortune Document or any other definitive agreement evidencing, securing or otherwise relating to the Super Senior Debt and (y) the definitive agreements evidencing or otherwise relating to the Subordinated Debt, and the delivery by the Company to the Ad Hoc Group of an executed copy of each such definitive agreement. (c) the completion of the funding of the Super Senior Debt and the Subordinated Debt; (d) the delivery by the relevant members of the Group of corporate authorisations in respect of the Proposed Restructuring and their entry into the Scheme Documents to which they are a party; (e) the obtaining of all relevant regulatory approvals or other consents (including, without limitation, delivery of relevant court orders in respect of the Schemes, shareholders’ approval in

	relation to the Debt to Equity Swap, and the Stock Exchange's approvals for the listing of and permission to deal in the New Shares); (f) the settlement in full of all Fees and Expenses and professional fees payable either before or at the time of the closing of any transaction in relation to the Existing Debt Instruments, under contracts or other arrangements entered into by the Company with financial or legal advisers or other professional parties for their services rendered in relation to the Proposed Restructuring; (g) the appointment of the AHG Director (as defined below), provided that the candidate(s) for such directorship has been nominated at least one month prior to the RED; (h) the establishment of the Alternative Structure and the receipt of approval in principle for the listing of the Debt Instruments, the Interim Instruments (as defined below) and the New Notes; (i) compliance by the Company with the terms of this Term Sheet in all material aspects; and (j) the satisfaction of each of the other conditions precedent contained in the Scheme Documents.
Restructuring Effective Date	The Restructuring Effective Date (the “RED”), shall occur as soon as reasonably practicable and within five Business Days of the Conditions Precedent being satisfied or waived, unless extended in accordance with the terms of the Scheme Documents. On the RED, (a) New Shares shall have been issued by the Company in accordance with the terms of the Debt to Equity Swap, <i>provided</i> that, if such New Shares cannot be issued by the RED because the Company has not received approvals therefor from the Stock Exchange (despite using its best efforts), (i) such other interim form of instruments (“Interim Instruments”) shall have been issued by the Company to the Scheme Creditors, <i>provided</i> that, to the extent applicable, among other terms to be agreed between the Company and the Ad Hoc Group, the Interim Instruments shall (A) be quoted on Bloomberg; (B) have an ISIN; (C) be listed on the Singapore Exchange Securities Trading Limited (“SGX”) or another internationally recognised exchange; (D) be UCITS eligible and (E) not be subject to any lock-up or other transfer restrictions (other than those required under applicable securities laws); and (ii) the Company shall use its best efforts to procure all necessary approvals from the Stock Exchange for the issuance and listing of and permission to deal in the New Shares as soon as practicable thereafter, and in any event, no later than 12 months from the RED;

	(b) The New Notes shall be issued by the Company in accordance with the terms of the Scheme Documents; and (c) the Existing Debt Instruments will be cancelled and the Existing Guarantees will be terminated and released.
Fees and Expenses	Consent Fee: The Consent Fee is to be paid to persons holding beneficial interests as principal in any of the Existing Debt Instruments who have agreed to be bound by the terms of the RSA in accordance with the terms of the RSA. AHG Work Fee: The AHG Work Fee is to be paid to the Ad Hoc Group in accordance with the terms set out in the fee letter to be entered into between the Ad Hoc Group and the Company. AHG Advisors Fee: All fees, costs and expenses incurred by each advisor of the Ad Hoc Group are to be paid to such advisor in accordance with the terms set out in the relevant fee letter(s) entered into between such advisor and the Company.
Treatment of Existing Debt Instruments	On the RED, all outstanding Existing Debt Instruments shall be cancelled upon the issuance of the New Notes.
Ongoing Dispute	(a) The Company shall share and consult with either (i) if prior to the RED, the Ad Hoc Group, or (ii) if on or after the RED, the AHG Director (as defined below) (or if there is no AHG Director at such time, the independent non-executive directors of the Company (“INEDs”)) all proposals relating to the restructuring and/or settlement of certain loan facilities in the principal amount of approximately US\$149 million (the “Flower Loans”) made by [REDACTED] Flower SPV 4 Limited [REDACTED] as lenders, and shall obtain (i) if prior to the RED, written approval from the Ad Hoc Group, or (ii) if on or after the RED, written approval from the AHG Director (or if there is no AHG Director at such time, at least a majority of the INEDs) prior to entering into any restructuring or settlement agreements relating to the Flower Loans, <i>provided</i> that the Ad Hoc Group holds at least 25% of the aggregate principal amount of the Existing Notes outstanding as of the date of the execution of such agreements, if such date is prior to the RED. (b) The Company shall share and consult with either (i) if prior to the RED, the Ad Hoc Group, or (ii) if on or after the RED, the AHG Director (or if there is no AHG Director at such time, the INEDs) all proposals from third parties relating to the restructuring and/or settlement of certain debt owed to [REDACTED], and shall obtain (i) if prior to the RED, written approval from the Ad Hoc

	Group, or (ii) if on or after the RED, written approval from the AHG Director (or if there is no AHG Director at such time, at least a majority of the INEDs) prior to entering into any agreements relating to the restructuring and/or settlement of [REDACTED], provided that the Ad Hoc Group holds at least 25% of the aggregate principal amount of the Existing Notes outstanding as of the date of the execution of such agreements, if such date is prior to the RED. Notwithstanding the foregoing, if any proposal referred to in clause (a) or (b) above contains material non-public information (“Confidential Proposal”), the Company shall disclose such Confidential Proposal to the advisors of the Ad Hoc Group instead of the Ad Hoc Group, except with respect to any member of the Ad Hoc Group that has expressly agreed (in writing) to receive such Confidential Proposal.
Principal Terms of the New Notes <i>Terms not defined herein have the meanings set forth in the indentures governing the New Notes (the “New Notes Indentures”), which shall largely follow the meanings given to them in the Existing Notes Indentures, it being understood and agreed that the terms of the New Notes Indentures other than those expressly specified below are subject to negotiation and may differ from those in the Existing Notes Indentures.</i>	
Company	Fantasia Holdings Group Co., Limited, an exempted company incorporated in the Cayman Islands with limited liability
Original Issue Date	The RED
New Notes	The New Notes shall comprise eight tranches as follows, with an aggregate original principal amount equal to the Scheme Creditors’ Claims minus any amount converted into Noteholder Shares pursuant to the Debt to Equity Swap (the “New Notes Aggregate Amount”): 1. <u>Tranche A</u>: The original principal amount shall be US\$200.0 million; 2. <u>Tranche B</u>: The original principal amount shall be US\$200.0 million; 3. <u>Tranche C</u>: The original principal amount shall be US\$300.0 million; 4. <u>Tranche D</u>: The original principal amount shall be US\$400.0 million; 5. <u>Tranche E</u>: The original principal amount shall be US\$500.0 million; 6. <u>Tranche F</u>: The original principal amount shall be US\$500.0 million; 7. <u>Tranche G</u>: The original principal amount shall be 50% of the difference between the New Notes Aggregate Amount and the

	sum of the original principal amounts of Tranches A, B, C, D, E and F; and 8. <u>Tranche H</u>: The original principal amount shall be the same as the original principal amount of Tranche G.
Maturity	1. <u>Tranche A</u>: December 31, 2024; 2. <u>Tranche B</u>: December 31, 2025; 3. <u>Tranche C</u>: December 31, 2026; 4. <u>Tranche D</u>: June 30, 2027; 5. <u>Tranche E</u>: December 31, 2027; 6. <u>Tranche F</u>: June 30, 2028; 7. <u>Tranche G</u>: December 31, 2028; and 8. <u>Tranche H</u>: June 30, 2029. The outstanding principal amount of each tranche shall be repaid on maturity, together with any accrued but unpaid cash interest.
Interest	Interest on the outstanding principal amount of the New Notes shall be paid in the following manner: (a) From December 31, 2022 to June 30, 2023: interest shall be paid in kind; (b) From June 30, 2023 to December 31, 2023: interest in an amount equal to at least 0.5% (or 1.0% per annum) of the outstanding principal amount of each tranche of the New Notes shall be paid in cash; the remaining portion of interest may be paid in cash or in kind, at the election of the Company; (c) For the second year after December 31, 2022: interest in an amount equal to at least 3.0% per annum of the outstanding principal amount of each tranche of the New Notes shall be paid in cash; the remaining portion of interest may be paid in cash or in kind, at the election of the Company; and (d) Starting from the third year after December 31, 2022: interest shall be paid in cash. Interest shall be payable semi-annually in arrears on the outstanding principal amount of the New Notes on June 30 and December 31 of each year, commencing on June 30, 2023, at the following interest rates with respect to each interest payment period: 1. <u>Tranche A</u>: 5.0% per annum (if all interest with respect to such interest payment period is paid in cash) or 7.0% per annum (if any portion of interest with respect to such interest payment period is paid in kind); 2. <u>Tranche B</u>: 5.25% per annum (if all interest with respect to such interest payment period is paid in cash) or 7.25% per annum (if

	any portion of interest with respect to such interest payment period is paid in kind); 3. <u>Tranche C</u>: 5.5% per annum (if all interest with respect to such interest payment period is paid in cash) or 7.5% per annum (if any portion of interest with respect to such interest payment period is paid in kind); 4. <u>Tranche D</u>: 6.0% per annum (if all interest with respect to such interest payment period is paid in cash) or 8.0% per annum (if any portion of interest with respect to such interest payment period is paid in kind); 5. <u>Tranche E</u>: 6.5% per annum (if all interest with respect to such interest payment period is paid in cash) or 8.5% per annum (if any portion of interest with respect to such interest payment period is paid in kind); 6. <u>Tranche F</u>: 7.0% per annum (if all interest with respect to such interest payment period is paid in cash) or 9.0% per annum (if any portion of interest with respect to such interest payment period is paid in kind); 7. <u>Tranche G</u>: 7.5% per annum (if all interest with respect to such interest payment period is paid in cash) or 9.5% per annum (if any portion of interest with respect to such interest payment period is paid in kind); and 8. <u>Tranche H</u>: 8.0% per annum (if all interest with respect to such interest payment period is paid in cash) or 10.0% per annum (if any portion of interest with respect to such interest payment period is paid in kind).
New Guarantees	Guarantees of the New Notes by the Subsidiary Guarantors.
Collateral	Pledges of the same shares as pledged for the Existing Notes plus a share pledge over shares of Colour Life Services Group Co., Limited held by the Company that are not otherwise encumbered or in dispute arising from or in connection with [REDACTED].
Information Rights	The Company shall file with the Trustee and furnish to the Holders upon request, quarterly updates on the onshore restructuring progress, to the extent that such disclosure is not prohibited by applicable law or regulations or relevant judicial or governmental authorities or confidentiality provisions entered into in good faith (provided that if such disclosure would be so prohibited because it contains material non-public information, the Company shall publicly disclose promptly such material non-public information and file with the Trustee and furnish to the Holders upon request such quarterly updates), during the two year period after the Original Issue Date. To the extent such disclosure is filed with the Trustee, the Trustee shall, upon written request of any Holder or

	owner of book-entry interests in the New Notes, furnish such disclosure to such Holder or owner.
Cash Sweep	Upon consummation of the sale of any asset listed in Schedule 2 (“Specified Asset Sale”), an amount equal to 40% of the Net Consideration shall be used for the repayment and/or repurchase of the New Notes (the “Cash Sweep”). The Company shall consummate a Cash Sweep within 90 days after each Specified Asset Sale (subject to the proviso in the following paragraph). For the avoidance of doubt, any Specified Asset Sale consummated prior to the RED shall also be subject to the Cash Sweep. [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] At any time an amount equal to 40% of the Net Consideration of any Specified Asset Sale has not been used for the Cash Sweep, the Company shall be prohibited from (i) using the Net Consideration for any purpose other than those required by applicable laws, rules or regulations, government policies or implementation or other governmental measures; and (ii) making dividends and certain other types of Restricted Payments and Permitted Investments (each as defined in the New Notes Indentures) to be agreed between the Company and the Ad Hoc Group and included in the New Notes Indentures. The Company shall consummate the sales of the assets listed in Schedule 2 as soon as commercially practicable. All New Notes thus repurchased shall be cancelled as soon as reasonably practicable. “Net Consideration” means, with respect to any Specified Asset Sale, the consideration of such Specified Asset Sale, net of: (1) brokerage commissions and other fees and expenses (including fees and expenses of professional parties) related to such Specified Asset Sale; (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Specified Asset Sale

	without regard to the consolidated results of operations of the Company and its subsidiaries, taken as a whole; (3) payments made to repay indebtedness or any other obligation outstanding at the time of such Specified Asset Sale that is owed to a Person other than the Company or an Affiliate of the Company and either (x) is secured by a lien on the property or assets sold or (y) is required to be paid as a result of such sale; and (4) appropriate amounts to be provided by the Company or any subsidiary as a reserve against any liabilities associated with such Specified Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Specified Asset Sale. The Company will provide a list of all financial indebtedness exceeding US\$1 million and other obligations exceeding US\$5 million as of June 30, 2022 that will be required to be paid as a result of Specified Asset Sales (i) to the financial and legal advisors of the Ad Hoc Group as soon as practicable and in any event no later than 45 days after the RSA is entered into; and (ii) to the Ad Hoc Group upon the earlier of (1) the publication of its interim report for the six-month period ended June 30, 2022, or (2) December 31, 2022. The Company will bring down such list to the RED by March 31, 2023. The Company undertakes, from the date of this Term Sheet to the RED, not to (i) secure or agree to secure any indebtedness or other obligation on any asset listed in Schedule 2 or (ii) pay or agree to pay any indebtedness or other obligation as a result of the sale of any asset listed in Schedule 2, unless such indebtedness or other obligation (and the security thereof or the payment thereof, as applicable) (i) is incurred (and, in the case of the security thereof, granted, and in the case of the payment thereof, agreed to) in good faith in connection with the construction or operation of such asset, or (ii) arises (A) by operation of law, rule or regulation or (B) despite the Company's best efforts, from governmental policy or implementation or other governmental measure. The New Notes Indentures will contain a substantially similar covenant with respect to the period on and after the RED, subject to exceptions and carveouts to be agreed.
Governance	The members of the Ad Hoc Group collectively holding at least 25% of the aggregate principal amount of the Existing Notes outstanding as of the date of such nomination shall be entitled to nominate one non-executive director (who shall satisfy all Listing Rules requirements for such directorship and be subject to the duties of the directors at law and

under the Listing Rules) (the “**AHG Director**”) to the board of the Company on or prior to the RED, subject to board approval. The Company shall use reasonable endeavours to procure the appointment of the individual nominated by the Ad Hoc Group as the AHG Director. The Company shall pay customary remuneration to the AHG Director.

The Company will appoint or maintain an independent non-executive director that meets the independence requirements under the Listing Rules to chair the audit committee by the RED.

[illegible]

So long as any of the New Notes remains outstanding, for as long as the Common Stock of the Company is listed on the Stock Exchange, the Company shall file with the Trustee and furnish to the Holders upon request:

- (a) as soon as they are available, but in any event within 120 calendar days (or any longer period for the publication of audited annual financial statements of companies listed on the Main Board of the Stock Exchange as may be stipulated by the Stock Exchange) after the end of each fiscal year of the Company ending on or after December 31, 2022, copies of its financial statements (on a consolidated basis and in English) in respect of such fiscal year (including a statement of income, balance sheet and cash flow statement for such fiscal year and the preceding fiscal year), prepared in accordance with generally accepted accounting principles (“GAAP”); and
- (b) as soon as they are available, but in any event within 90 calendar days (or any longer period for the publication of semi-annual financial statements of companies listed on the Main Board of the Stock Exchange as may be stipulated by the Stock Exchange) after the end of the second fiscal quarter of each fiscal year of the Company ending on or after December 31, 2023, copies of its financial statements (on a consolidated basis and in English) in respect of such semi-annual period (including a statement of income, balance sheet and cash flow statement for such semi-annual period and (i) for the statement of income and cash flow statement, the corresponding semi-annual period in the preceding fiscal

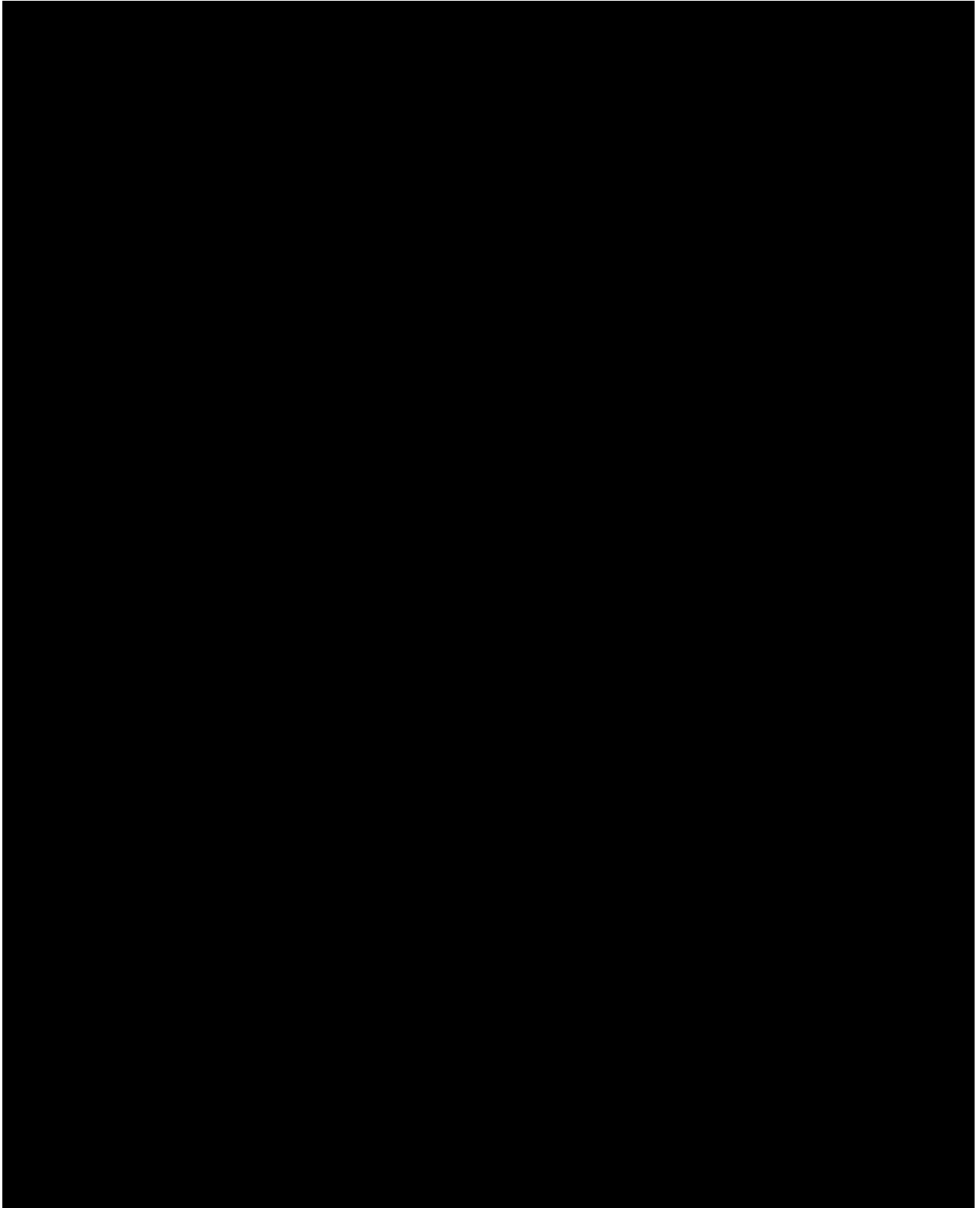
	year and (ii) for the balance sheet, as of the end of the preceding fiscal year), prepared in accordance with GAAP. If the financial statements set forth in clauses (a) or (b) of the immediately preceding paragraph are not audited (in the case of clause (a)) or reviewed (in the case of clause (b)), the Company shall deliver an Officers' Certificate accompanying such financial statements stating that such financial statements are true in all material respects and present fairly the Company's financial position as of the end of, and the Company's results of operations for, the relevant period. Notwithstanding the forgoing, failure to provide any such financial statements in accordance with clauses (a) and (b) of the immediately preceding paragraph shall not constitute an Event of Default if the relevant financial statements are filed with the Trustee and furnished to the Holders upon request within 90 days after the respective deadlines set forth in such clauses (a) and (b) above. The Company shall, prior to or concurrently with providing any financial statements referred to in the immediately preceding two paragraphs to the Trustee and/or the Holders, publicly disclose such financial statements. The four immediately preceding paragraphs are in addition to the covenants regarding the provision of financial statements and reports to be included in the New Notes Indentures, which shall be substantially similar to those in the Existing Notes Indentures. To the extent any financial statements (and any accompanying audit or review report or Officer's Certificate) are filed with the Trustee, the Trustee shall, upon written request of any Holder or owner of beneficial or book-entry interests in the New Notes, furnish such the same to such Holder or owner, <i>provided</i> that such request shall be made during normal business hours and satisfactory evidence of proof of such Holder's or owner's holdings shall be provided to the Trustee.
Auditor	The Company will engage a Whitelist Auditor to audit its annual financial statements and review its semi-annual financial statements starting no later than the audit of the fiscal year ending December 31, 2023. The "Whitelist Auditor" shall be any of the following auditors, or their respective affiliates or member firms: ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED]

	     After the engagement of a Whitelist Auditor, it will be an Event of Default if there is any recast or restatement of financials audited or reviewed by any prior non-Whitelist Auditor (other than those resulting from changes in accounting policies or principles) that results in a change greater than those specified below for any of the following ratios: (i) <u>Total Liabilities / Total Asset Ratio</u>: revised ratio under the recast or reinstatement is more than 7.5% higher than the ratio calculated using the financial statements audited or reviewed by any prior non-Whitelist Auditor; (ii) <u>Net Debt / Book Value Ratio</u>: revised ratio under the recast or reinstatement is more than 12.5% higher than the ratio calculated using the financial statements audited or reviewed by any prior non-Whitelist Auditor; or (iii) <u>Cash / Short-Term Debt Ratio</u>: revised ratio under the recast or reinstatement is more than 15% lower than the ratio calculated using the financial statements audited or reviewed by any prior non-Whitelist Auditor. These ratios shall be calculated as follows: (i) <u>Total Liabilities / Total Asset Ratio</u> = (total liabilities - contract liabilities) / (total asset - contract liabilities); (ii) <u>Net Debt / Book Value Ratio</u> = (total interest bearing debt - cash and cash equivalents) / net asset; and (iii) <u>Cash / Short-Term Debt Ratio</u> = unrestricted cash / short-term interest bearing debt, <i>provided</i> that line items used in the above calculations shall be consistent with the financial statements prepared in accordance with GAAP.
Amendments with Consent of Holders	The amendment provision under the New Notes will be similar to those in the Existing Notes, except that any modification, amendment or waiver requiring the consent of each Holder affected thereby (as set out in Section 9.02 of the Existing Notes Indentures) shall be amended to require the consent of the Holders of not less than 85% in aggregate principal amount of the outstanding New Notes of the relevant tranche. New Notes pledged to secure Super Senior Debt or Additional Super Senior Debt shall be disregarded and deemed not to be outstanding for purposes of any request, demand, authorization, direction, notice, consent or waiver under the New Notes Indentures.

Transfer Restrictions	The New Notes and the New Guarantees will not be registered under the U.S. Securities Act of 1933, as amended (the “ Securities Act ”) or any securities law of any state or other jurisdiction of the United States, and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act (“ Regulation S ”)) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes will be offered and sold only (i) in offshore transactions outside the U.S. in reliance on Regulation S or (ii) pursuant to another exemption.
Form, Denomination and Registration	The New Notes will be issued only in fully registered form and will be initially represented by one or more global certificates. The minimum denomination will be US\$1,000 and integral multiples of US\$1 in excess thereof.
Listing	Application will be made by the Company for the listing and quotation of the New Notes on the SGX. Application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the New Shares.
Governing Law	The New Notes, the New Guarantees and the New Notes Indentures will be governed by and will be construed in accordance with the laws of the State of New York.
Jurisdiction	U.S. federal and New York state courts located in the Borough of Manhattan, The City of New York are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with the New Notes, the New Guarantees and the New Notes Indentures.

Schedule 1

[REDACTED]



Schedule 2

[REDACTED]

